



State of California  
**Employment Training Panel**

Training Proposal for:  
**Alliant Insurance Services, Inc.**

**Agreement Number: ET09-0184**

Panel Meeting of: **July 25, 2008**

ETP Regional Office: **San Diego**

Analyst: C. Robinson

**PROJECT PROFILE**

Contract

Type:      Retrainee  
              SET Frontline - Retrainee  
              SET/HUA - Retrainee

Industry

Sector(s):    Finance and Insurance

Counties

Served:      San Diego, Orange, San  
                  Bernardino, Los Angeles, Fresno,  
                  Sacramento, and Kern

Repeat

Contractor:   ☐ Yes   ☒ No

Union(s):    ☐ Yes   ☒ No

Priority

Industry:     ☐ Yes   ☒ No

No. Employees in CA:    596

No. Employees Worldwide:    1,100

Turnover Rate %	Manager/ Supervisor %
13.3%	3.6%

**FUNDING DETAIL**

Program Costs	Substantial Contribution	Total ETP Funding
\$272,580	\$0	\$272,580

In-Kind Contribution
\$370,020

**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Business Skills Computer Skills Continuous Improvement Skills	200	24 - 200	0 - 25	\$615	\$13.37
				Weighted Avg: 41			
2	SET Frontline - Retrainee	Business Skills Computer Skills Continuous Improvement Skills	199	24 - 200	0 - 25	\$540	\$23.36
				Weighted Avg: 36			
3	SET/HUA - Retrainee	Business Skills Computer Skills Continuous Improvement Skills	72	24 - 200	0 - 25	\$585	\$12.85
				Weighted Avg: 39			

**Minimum Wage by County:** \$13.37 for San Diego County, \$14.02 for Orange and Los Angeles Counties (Job Number 1). \$23.36 for SET Frontline – Retrainee (Job Number 2). \$12.85 for SET/HUA – Retrainee (Job Number 3) for Kern, Fresno, and San Bernardino Counties.

**Health Benefits:** ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:** ☒ Yes ☐ No

\$ 1.83 per hour may be used to meet the Post-Retention Wage for Job Numbers 1 through 3.

**Other Benefits:** Life, Disability, 401K Savings Plan, Long Term Care, Employee Assistance Program, Healthcare/Dependent Flexible Spending, Identity Theft Coverage, and Paid Time off.

Wage Range by Occupation	
Occupation Title	Wage Range
Managers/Supervisors	
Information Technology Staff	
Sales/Service Staff	
Claims/Underwriting Staff	
Finance/Accounting Staff	
Corporate Support Staff	
Administrative Support Staff	
<i>Note: Trainees in Job Number 2 must meet the SET minimum wage (\$23.36) within the above wage ranges. Managers/Supervisors will not be included in Job Number 2.</i>	

**INTRODUCTION**

Alliant Insurance Services, Inc. (Alliant) seeks funding for retraining as outlined below:

Founded in 1925 Alliant, a privately held insurance brokerage firm, provides risk management, consulting, and insurance brokerage services to more than 20,000 commercial customers

nationwide including public entities, tribal nations and those in the healthcare, energy, marine, real estate, and construction industries. Alliant proposes to train 471 full time workers in nine facilities located in eight cities: Newport Beach, San Diego, Thousand Oaks, Sacramento, San Marcos, Fresno, Bakersfield, and San Bernardino.

Two facilities, located in Newport Beach and San Diego, provide corporate support for company locations both inside and outside of California and are eligible for standard retraining in accordance with Title 22, California Code of Regulations (CCR), Section 4416(e). Sales, customer service, and underwriting staff at two other facilities, located in Thousand Oaks and San Diego, are eligible for ETP funding under Title 22, CCR, Section 4416 (d)(3,4) for the provision of services to customers located both inside and outside of California.

### **Special Employment Training**

Alliant also seeks funding under Special Employment Training (SET), for frontline workers, who earn at least the state average hourly wage (\$23.36) but do not meet out-of-state competition provisions. (Title 22, CCR, Section 4409 (a).) These trainees will be in Job Number 2.

### **SET/HUA**

The company also proposes to train under SET for facilities located in Fresno, Bakersfield, and San Bernardino which have been identified by ETP as High Unemployment Areas (HUA). These cities have unemployment rates higher than the state average unemployment rate by at least 25%, using data from the Labor Market Information Division of the Employment Development Department. (Title 22, CCR, Section 4409 (b).) Trainees in a HUA, although funded under SET, may earn less than the statewide wage so long as they earn at least the ETP Minimum Wage. (Title 22, CCR, Section 4429(b).) The trainees located in these cities will be in Job Number 3.

### **PROJECT DETAILS**

As an insurance broker, Alliant develops and sells insurance packages that are tailored to meet the needs of its customers for property, casualty, and employee benefit purposes. The company is not directly involved in underwriting or adjudication of its customer's claims with the insurance companies that are involved in each insurance package. Alliant also acts as a third party administrator on behalf of its customers with their participating insurance companies. These administrative activities include receiving/tracking claim reports and submission of customer claims to insurance carriers for processing purposes.

According to company representatives, the insurance industry is currently in a "soft market" phase due to events leading to the recent nationwide economic downturn. As a result, new and/or enhanced products must be developed to address customers' evolving needs that include increasing cost constraints in today's market. Alliant recognizes that speed, accuracy, and overall service delivery are critical factors for the company to maintain continued success. Company employees must be knowledgeable of current industry products and possess exceptional sales/customer service skills to both attract new customers and retain current ones.

By streamlining processes and leveraging new technology, Alliant anticipates employees will need to spend less time manipulating data and more time working with clients on insurance matters to ultimately increase their ability to provide superior to its customers. Alliant is also implementing new/upgraded systems and customer service techniques to expand service delivery in a fluctuating, and competitive industry.

**Business Skills** - All retrainees in the proposed training plan will receive Business Skills training in topics deemed appropriate for their occupation. Business writing, claims processing, communication, customer service, finance/accounting, sales/marketing, underwriting and train the trainer skills will allow Alliant to streamline company processes and improve customer service delivery. Business Skills training in new/upgraded products will allow company employees to understand new industry products to offer Alliant's customers a wide variety of insurance options.

**Computer Skills** – Alliant's initiative to implement both new and system upgrades will require Computer Skills training for all company employees included in the proposed training plan. Training in use of an upgraded Structured Query Language (SQL) server based system will allow employees immediate access to large blocks of data that will save them time and allow an increased degree of customer service. Customer service staff will receive training in upgrades to Alliant's proprietary Office Automation System (OASYS) to more efficiently track property/vehicle schedules and requests for certificates of insurance from customers both of which have been identified by Alliant as critical customer service and account management functions. In addition, training on use of newly purchased software, CSR 24, will allow employees to complete and process the requested certificates in a timelier manner.

The company will also train most occupations in the proposed training plan in the use of a new proprietary Customer Relationship Management (Alliant CRM) system and Document Imaging Software System to support workflow and move Alliant toward becoming a paperless environment. The company will also deliver training in a web based product (SharePoint) to employees who can support Alliant's streamlining efforts by maintaining and accessing day-to-day information from a central location. Computer Skills training in Intermediate/Advanced Microsoft Office and Publisher software products for selected employees will allow implementation and efficient use of the most current operational systems for Alliant to track and manage its business successfully. Company representatives state that training was not included in the purchase of any of the aforementioned software products.

**Continuous Improvement Skills** - All employees in the proposed training plan will receive training in Continuous Skills as appropriate to the company's business needs and their individual occupation. Topics in Leadership, Organizational Management, Project Management, Quality Control, and Time Management Skills will streamline company processes, support new product development, and increase product quality to respond to the changing needs of Alliant's customers.

### **Commitment to Training**

Currently, Alliant has an annual budget of approximately \$500,000 that supports the company's basic job basic skills training, new employee orientation, sexual harassment prevention, basic computer skills, personal development, human resources, ethics, and employee health awareness training. Company representatives state that funding of these topics will continue on an ongoing basis in the future. Alliant represents that ETP funds will not displace the existing financial commitment to training and company officials anticipate that the opportunity for enhanced training made possible by ETP funds, will encourage an ongoing financial commitment in this area.

Alliant represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

**Frontline Worker**

Alliant representatives state that 17 retrainees in Job Number 1 are supervisors or managers while the remaining 454 (96%) in Job Numbers 1 through 3 are frontline workers directly producing services. There are no trainees that set company policy included in the proposed training plan. There are no managers/supervisors included in the Job Number 2 SET and Job Number 2 SET/HUA funded groups.

**Average Turnover Rate**

Company representatives provided turnover rates for each of the nine proposed facilities that ranged between 0% and 18.6%. Each facility has annual turnover of less than 20%. An average turnover of 13.3% was used to identify turnover on page one of this memo, for ease of reference.

**RECOMMENDATION**

For the reasons set forth above, staff recommends approval of this proposal, with a SET/HUA wage in Job Number 3.

**DEVELOPMENT SERVICES**

Alliant retained Training Funding Partners (TFP) in Irvine to assist with development of this proposal for a flat fee of \$17,500.

**ADMINISTRATIVE SERVICES**

The company also retained TFP in Irvine to perform administrative and optional services that relate to administration of the ETP agreement for total fees not to exceed 13% of payment earned.

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab**

Hours 24 – 200 Trainees may take any of the following:

**Business Skills**

- Analyzing Commercial Risk
- Business Writing Skills
- Claims Facilitation Skills
- Communication Skills
- Contract Review Skills
- Customer Service Skills
- Finance/Accounting Skills
- New/Upgraded Products and Services
  - Insurance Products
  - Annuities Products
  - Long Term Care Products
  - Property/Casualty Products
  - Investment Portfolio Products
  - Managed Care Products
- Insurance Product Design Skills
- Sales/Marketing Skills
- Train the Trainer Skills
- Understanding the Underwriting Process

**Computer Skills**

- AlliantCRM (Customer Relationship Management) /Agency Management System Skills
- CSR 24 System Skills
- Document Imaging Software System
- Intermediate/Advanced Microsoft Office Suite
- Internet Client Research Techniques
- Microsoft Publisher
- OASYS (Office Automation System) System Skills
- Sharepoint Skills

**Continuous Improvement Skills**

- Leadership Skills
- Organizational Management Skills
- Project Management Skills
- Quality Control Skills
- Time Management Skills

**CBT**

Hours 0-25 Trainees may take any of the following:

**Business Skills**

- Analyzing Commercial Risk (6 hours)
- Business Writing Skills (3 hour)
- Customer Service Skills (4 hours)
- Contract Review Skills (2 hours)

**Continuous Improvement Skills**

- Leadership Skills (6 hours)
- Organizational Management Skills (2 hours)
- Time Management Skills (2 hours)